

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

UNSTARRED QUESTION NO:2499
ANSWERED ON:04.12.2002
DEVELOPMENT OF MAJOR PORTS
ANANTA NAYAK

Will the Minister of SHIPPING be pleased to state:

- (a) the funds spent on the development of major ports during the Ninth Five Year Plan, Port-wise;
- (b) whether Government have identified the major ports which incurred huge losses during Ninth Plan period;
- (c) if so, the details thereof, Port-wise and Year-wise and the reasons therefor; and
- (d) the steps taken to avoid such losses?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI SU. THIRUNAVUKKARASAR)

(a) The expenditure incurred on the development of major ports during the Ninth Five Year Plan period is Rs.4104.42 crores. Port-wise breakup of expenditure on the schemes taken up/completed during this period is given below:-

S. No. Name of the Port Trust Expenditure (Rs. in crores)

(i) Kolkata	231.95
(ii) Mumbai	521.69
(iii) Jawaharlal Nehru	203.15
(iv) Chennai	1080.30 @
(v) Cochin	77.31
(vi) Vizag	354.80
(vii) Kandla	259.15
(viii) Mormugao	104.52
(ix) Paradip	732.19
(x) New Mangalore	234.86
(xi) Tuticorin	304.50

Total 4104.42

@ Includes Rs.803.08 crores on works executed for construction of Ennore Port.

(b) to (d) Kolkata Port Trust has reported net deficit of Rs.7.53 crores in 2001-2002 on account of implementation of revised pay scales and payment of arrears and increase in expenditure on account of pensionary benefits. The Port Trust has made efforts to increase its income and economise on expenditure through cost reduction.

Cochin Port Trust has reported net deficit of Rs.33.76 crores and Rs.35.02 crores during 2000-2001 and 2001-2002 respectively.

The deficit in 2000-2001 was on account of payment of arrears towards wages consequent to wage revision with retrospective effect as also arrears of pensions. Further, the Railway claims relating to previous years were settled. The deficit in 2001-2002 was on account of heavy cash outgo for payment of retirement benefits to the employees who opted for retirement under the Voluntary Retirement Scheme (VRS) as also superannuation in bulk of employees as a result of roll back of retirement age. The Port Trust has taken the following steps to improve its financial position:

- (i) A proposal for revision of tariff has been taken up by the Port Trust with the Tariff Authority for Major Ports (TAMP);
- (ii) VRS has been introduced to reduce the employee strength;
- (iii) Reduction in the cost of maintenance dredging through change in the method of pricing;
- (iv) Computerisation of operational areas and implementation of Electronic Data Interchange (EDI);
- (v) Restrictions on fresh recruitments have been imposed;
- (vi) Strict administrative control is being exercised on overtime payments;
- (vii) Outsourcing of services is being resorted to in certain identified areas to reduce costs;
- (viii) Reduction has been effected in inventory holding; and
- (ix) Reduction has been effected in the strength of Central Industrial Security Force personnel.

Mumbai Port Trust has reported net deficit of Rs.474.26 crores and Rs.234.95 crores during 2000-2001 and 2001-2002 respectively. The deficit is on account of declining traffic leading to decrease in income, adherence to traditionally developed systems and procedures with high labour component and low productivity and high cost of handling at the Port.

Steps have been taken by Mumbai Port Trust to improve the financial position through implementation of selected recommendations included in a Strategic Plan for restructuring and reforms to improve the working of the Port and reduce costs in various areas of operations, mainly on streamlining of systems and procedures towards simplification, interaction with trade and grant of incentives/facilities for customer satisfaction, modernization and development of facilities both by the Port and through private sector participation, computerization and quality certification and employee reforms. Specific steps taken by the Port Trust include:-

- (i) Creation of facilities and grant of incentives for attracting more cargo;
- (ii) Streamlining of systems and procedures;
- (iii) Improvement in efficiency and productivity in cargo handling through close monitoring;
- (iv) Reduction in cost of operations through integration of cargo handling such as by taking over stevedoring;
- (v) Reduction in manpower through roll back of retirement age, VRS and ban on recruitment; and
- (vi) Monitoring of all other expenditure with a view to reduce operating expenditure.